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September 20, 1956

### CAPITAL MARKET DEVELOPMENTS

The volume of publicly sold security issues was large last week, particularly for corporate securities, and is expected to be only moderately smaller this week. During the week ending September 14, corporations sold large issues totaling \$204 million, while State and local government flotations amounted to \$71 million. This week four corporate security offerings with proceeds of \$180 million and four tax-exempt issues totaling \$64 million are scheduled for sale.

**Bond yields** - Yields on corporate, Aaa-rated State and local government and U. S. Government (new series) bonds continued to increase last week, but at a more moderate pace than earlier. Yields on Baa-rated State and local government bonds remained stable, while yields on U. S. Government (old series) and State and local revenue bonds declined one basis point.

The \$75 million CIT Financial Corporation's debenture issue, which had been postponed first in early June and again in August, came to the market on September 19. The debt securities carried a coupon of 4 1/2 per cent and carried a 10-year no-call provision, while in August terms of a 4 per cent coupon had been discussed. The issue was reoffered to yield 4.38 per cent as compared with a yield of 3.75 per cent on a similar offering made by the company last September. The issue was sold rapidly and went to a slight premium.

A large railroad bond offering was well received by the market at a reoffering yield of 5.25 per cent for a 27-year first mortgage bond rated Baa. This is only the second sizable long-term new capital financing through bond issues by railroads in the last five years; most railroad equipment expenditures have been financed through equipment trust certificates of shorter maturity on the average.

One large industrial issue was postponed this week because of "unfavorable market conditions." A substantial portion of the intended borrowing of \$20 million was for refunding purposes.

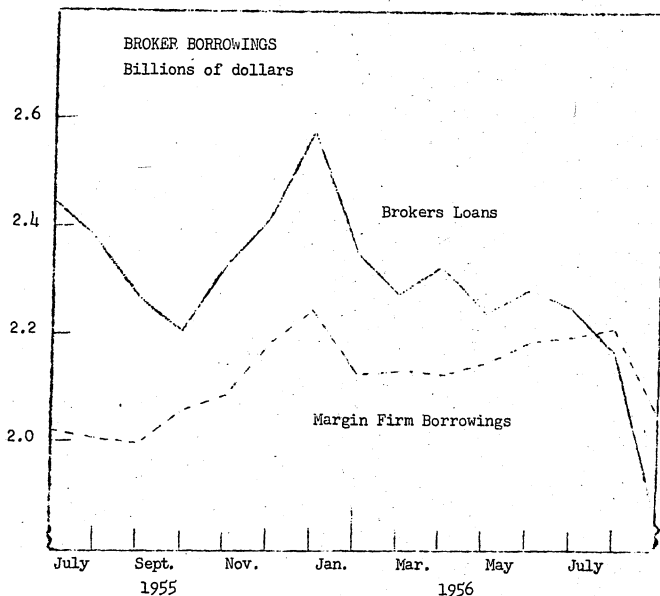
**Stock market credit** - Customer credit in the stock market (excluding U. S. Government securities) declined \$47 million during August, to total \$3,979 million at the end of the month. A \$27 million decrease in net debit balances more than offset the July increase. Bank loans to "others" continued to decline. Borrowing by member firms of the NYSE maintaining margin accounts, except borrowings

on U. S. Government securities, declined \$163 million, principally in borrowing on customer collateral. This is the largest monthly change since March of 1955 when such borrowing increased by \$194 million. These and other data on stock market credit are shown in the following table.

	End of month		Change
	August	July	
	(Millions of dollars)		
Customer credit			
Excluding U. S. Govt. securities - Total	3,979	4,026	-47
Net debit balances	2,785	2,812	-27
Bank loans to "others"	1,194	1,214	-20
Net debit balances secured by U. S. Govt. securities	33	31	2
Bank loans to others for purchasing or carrying U. S. Govt. securities	41	45	-4
Broker and dealer credit			
Money borrowed except on U. S. Govt. securities	2,048	2,211	-163
On customer collateral	1,742	1,873	-131
Money borrowed on U. S. Govt. securities	38	31	7
Customers' net free credit balances	872	858	14

r/ Revised.

The decline in brokers loans reported by weekly reporting member banks was much greater than the drop in margin firm borrowings, as is shown in the chart on the next page, and, as a result, the outstanding amount of brokers loans was substantially below the margin firms' borrowings total for the first time since the statistical series was begun in 1938. Differences in coverage between the series makes it difficult to identify specifically the cause of this change in relationship. The brokers loan series excludes borrowing on U. S. Government securities at New York and Chicago banks, but includes such borrowing at other reporting banks. The margin firm series excludes all borrowing on Government securities. This difference is presumed to be slight. More importantly, the brokers loan series is more extensive in coverage of borrowers, since it includes loans to both margin and non-margin firms, while the margin firm series is more extensive in coverage of lenders, in that it includes borrowing by margin firms from both weekly reporting and other commercial banks, as well as a small amount of borrowing from nonbank lenders.



Note.--Data are for the last Wednesday of the month. Brokers loans are weekly reporting member bank loans to brokers and dealers for purchasing or carrying securities, except that loans at New York and Chicago reporting banks for purchasing or carrying U. S. Government securities are excluded. Margin firm borrowing is that of NYSE member firms which carry margin accounts, except borrowing secured by U. S. Government securities, as reported to the NYSE by these firms.

In light of these statistical differences, the changed relationship between the series could result from a decline in non-margin firm borrowing at weekly reporting banks, or a diversion of brokers loans from weekly reporting banks to other banks or other lenders, or varying combinations of both. There are no measures of non-margin firm borrowing at weekly reporting banks or of security

loans by nonbank lenders, but it is not likely that changes in either of these factors have been large enough to account for the marked change in the two available series. In light of press comment and other reports from the financial community, the changes probably reflect a substantial shifting of brokers loans from main financial centers to non-reporting banks.

Stock prices - Common stock prices, as measured by the SEC index of 265 stocks, declined 3.8 points during the week ending September 14, closing at 281.3. Daily figures through Wednesday of this week indicate a further sharp decline in prices.

#### Corporate Security Offerings in the Second Quarter 1956

#### Net Proceeds for New Capital

During the second quarter of 1956, corporations obtained almost \$2.8 billion in new capital through issuing securities of all types, as can be seen from Table 1. This was the largest volume of offerings in any quarter on record, exceeding the corresponding quarter of 1955 by 36 per cent.

The most significant contribution to this increase was made by manufacturing companies which raised 60 per cent more new money this quarter than in 1955 and accounted for more than one-third of all corporate offerings. Largest increases were experienced in the machinery, petroleum and paper manufacturing subgroups. The General Electric \$300 million debenture issue in May was primarily responsible for the heavy new financing in machinery--the largest for any recent second quarter. Sharpest declines were registered in net new financing by primary iron and steel and rubber producers; new offerings by these groups had been unusually large last year due to large issues by Bethlehem Steel and Goodyear Tire and Rubber. Electric, gas and water companies raised \$860 million in new capital--up 29 per cent from last year but somewhat below net new financing in the second quarters of 1953 and 1954. This was true despite a considerable increase in plant and equipment expenditures this year. When communications and other utilities are included, public utilities received nearly two-fifths of the net new capital raised by domestic corporations, nearly one-third more than a year earlier.

Financial and real estate companies, with a total of \$462 million, ranked third in importance, with the largest increase (48 per cent over the same quarter of the preceding year) being accounted for by consumer finance companies. Railroad issues--almost exclusively in the form of equipment trust certificates--were up sharply from the exceedingly low level of preceding years but still accounted for only 3 per cent of all new financing.

Table 1

Corporate Security Offerings for New Capital  
by Type of Business of Issuer  
Second Quarter

(Net proceeds in millions of dollars)

	1956	1955	1954	1953	1952
All corporate offerings	2,789	2,052	1,995	2,578	2,629
Manufacturing	999	628	547	668	1,112
Machinery	376	67	135	49	273
Petroleum	139	22	10	212	149
Paper	108	18	45	53	34
Foods	45	22	48	14	31
Chemicals	28	22	70	218	312
Textiles and apparel	21	1	2	5	16
Primary iron and steel	20	207	15	10	44
Motor vehicles and equipment	14	18	3	5	--
Rubber	11	68	1	2/	77
Primary nonferrous metals	2	23	122	11	101
Other 1/	235	160	96	91	75
Electric, gas and water utilities	860	669	940	919	830
Communication	106	68	74	57	100
Railroad	83	35	27	62	102
Other transportation	109	92	91	89	188
Commercial and other	74	77	59	47 )	137
Mining	97	118	134	69 )	
Financial and real estate	462	363	122	666	161
Consumer finance companies	270	182	84	606	116
Banks	97	59	11	24	36
Other	95	122	27	36	9

1/ Includes small volume of foreign issues not further classified in the manufacturing group.

2/ Less than \$500,000.

Note.--Details may not add to totals due to rounding.

Source.--Securities and Exchange Commission and Federal Reserve.

Total Gross Proceeds

Table 2 shows that total gross proceeds from the sale of new security issues--including refunding and the cost of flotation to the issuing companies--amounted to nearly \$3 billion as compared with less than \$2.5 billion during the comparable quarter last year.

Of all new issues, 43 per cent were publicly offered bonds; privately placed bond issues made up another 34 per cent. Thus more than three-quarters of all new capital raised during the second quarter took the form of bonded indebtedness. Preferred stock accounted for only 5 per cent of new corporate issues, and the remaining 18 per cent took the form of common stock. Equity financing represented a smaller proportion of total corporate financing than occurred during the second quarter of 1955 but was closely comparable to the pattern for earlier years.

Table 2

Total Corporate Security Offerings by Type of Issue  
Second Quarter  
(Gross proceeds in millions of dollars)

Type of issue	1956	1955	1954	1953	1952
Total corporate offerings	2,989	2,413	2,531	2,695	2,888
<u>Type of offering</u>					
Public	1,934	1,667	1,603	1,812	1,769
Private	1,055	746	928	883	1,119
<u>Type of security</u>					
Bonds and notes	2,316	1,643	1,860	2,100	2,246
Public	1,296	948	980	1,237	1,153
Private	1,020	695	879	863	1,093
Preferred stock	147	208	370	150	227
Common stock	526	562	302	445	415

Note.--Details may not add to totals due to rounding.

Source.--Securities and Exchange Commission.

One-eighth of the new securities offered were convertible issues--predominantly bonds. As can be seen from Table 3, this represents a slight decline from the second quarter last year, but greatly exceeded the comparable total for 1954.

Table 3

New Convertible Issues  
Second Quarter

(Thousands of dollars)

	1956	1955	1954
Bonds	336,060	371,323	15,205
Preferred stock	32,981	25,946	63,974
Common stock	<u>1,734</u>	<u>--</u>	<u>--</u>
Total	370,775	397,269	79,179
of which refunding	49,118	23,256	3,995

The relative importance of different types of financing varied sharply according to industry groups. Table 4 shows this picture in detail. Corporations in all industrial groups raised at least half of all new capital during the second quarter through debt issues, but the degree of reliance on debt differed widely by industry. Railroad financing, for example, took the form of bond issues exclusively; 85 per cent of new manufacturing funds and 82 per cent of new capital raised by public utilities were derived from this source. The real estate and finance group and commercial establishments, on the other hand, relied much more heavily upon common stock issues, acquiring over 34 per cent and 47 per cent respectively of their new capital in this form. Together, these two groups accounted for over half of all common stock offerings.

All railroad bonds were publicly issued; public utilities also relied heavily upon publicly offered bonds, deriving 57 per cent of all new funds from this source as compared with 25 per cent from private placements. Manufacturing concerns secured approximately half their requirements through public bond issues, but made extensive use of private placements as well; at the other extreme, the real estate and financial group secured more than half of all new capital through privately issued bonds. For all categories, new issues of preferred and common stock were predominately public offerings.

More detailed information concerning recent capital market developments is presented in the attached exhibits.

Business Finance and Capital Markets Section,  
Division of Research and Statistics,  
Board of Governors of the Federal Reserve System.

Table 4

Relative Importance of Industrial Groups and  
Types of Instrument in Net New Financing  
2nd Quarter 1956

	Rail- roads	Public utilities	Manu- fac- turing	Commer- cial and miscel- laneous	Real estate and finance	Total
(Percentage distribution, by industry)						
Bonds						
Public	100	57	49	7	13	44
Private	--	25	36	44	52	34
Sub-total	100	82	85	51	65	78
Preferred stock						
Public	--	6	4	2	1/	4
Private	--	1	1/	--	1	1
Sub-total	--	7	4	2	1	5
Common stock						
Public	--	11	10	46	34	16
Private	--	1/	1	1	1/	1
Sub-total	--	11	11	47	34	17
Total	100	100	100	100	100	100
(Percentage distribution, by type of instrument)						
Total bonds	4	40	39	4	14	100
Public	6	49	39	1	5	100
Private	--	28	38	8	26	100
Total preferred stock	--	58	35	2	5	100
Public	--	57	39	3	2	100
Private	--	65	5	--	29	100
Total common stock	--	24	24	17	34	100
Public	--	25	22	17	36	100
Private	--	6	70	16	8	100

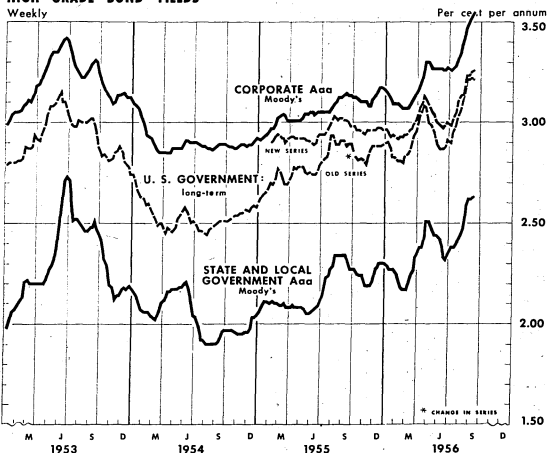
1/ Less than 0.5 per cent.

Note.--Details may not add to total due to rounding.



## EXHIBIT A

## HIGH-GRADE BOND YIELDS



Date	Corporate Aaa <u>1/</u>	U. S. Govt., long-term <u>2/</u>		State and local govt. Aaa <u>3/</u>	Spread between U. S. Govt. (old series) and Corporate State and Aaa local Aaa	
		Old series	New series		Corporate Aaa	State and local Aaa
(Per cent)						
1953 - High	3.42 (6/19)	3.15 (6/6)	n.a.	2.73 (6/25)	.38	.84
Low	2.99 (1/9)	2.78 (12/26)	n.a.	1.98 (1/8)	.19	.30
1954 - High	3.09 (1/8)	2.74 (1/9)	n.a.	2.21 (6/10)	.43	.61
Low	2.85 (4/23)	2.44 (8/7)	n.a.	1.90 (9/2)	.32	.29
1955 - High	3.17 (12/23)	2.94 (8/5)	3.03 (8/5)	2.34 (9/8)	.34	.70
Low	2.91 (1/7)	2.62 (1/7)	2.89 (6/10)	2.05 (5/26)	.13	.54
1956 - High	3.55 (9/14)	3.22 (9/7)	3.26 (9/14)	2.63 (9/13)	.40	.68
Low	3.07 (3/2)	2.80 (2/17)	2.92 (2/3)	2.17 (2/23)	.13	.45
August 17	3.42	3.14	3.18	2.53	.28	.61
August 24	3.47	3.21	3.23	2.59	.26	.62
August 31	3.49	3.21	3.23	2.62	.28	.59
September 7	3.53	3.22	3.25	2.62	.31	.60
September 14	3.55	3.21	3.26	2.63	.34	.58

1/ Weekly average of daily figures. Average term of bonds included is 25-26 years.

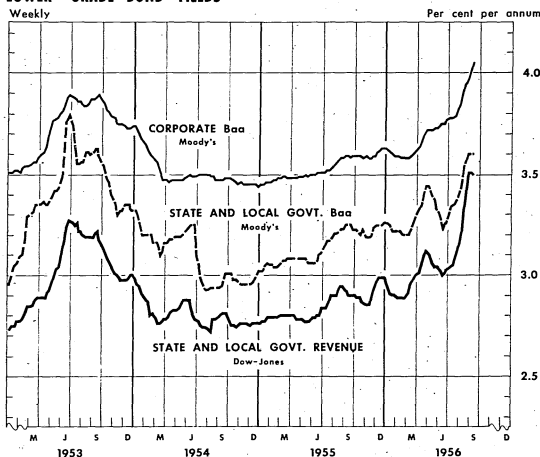
2/ Weekly averages of daily figures. The old series includes fully taxable, marketable 2 1/2 per cent bonds due or first callable after 12 years through September 1955, and those due or callable in 10-12 years thereafter; the average term to first call of the bonds included declined from 14 years in early 1953 to 11 1/2 years in early 1956. The new series is comprised of the 3 per cent bond of 1955 and the 3 1/4 per cent bond of 1978-83.

3/ Thursday figures. Only general obligation bonds are included; average term is 20 years.

Note.--Highs and lows are for individual series and may be on different dates for different series.

## EXHIBIT B

## LOWER - GRADE BOND YIELDS



Date	Corporate Baa 1/	State and local govt. Baa 2/	State and local govt. rev. 3/
	(Per cent)		
1953 - High	3.89 (9/18)	3.79 (6/25)	3.27 (6/26)
Low	3.50 (1/2)	2.96 (1/8)	2.71 (1/2)
1954 - High	3.74 (1/8)	3.32 (1/7)	3.00 (1/1)
Low	3.44 (12/31)	2.93 (8/5)	2.72 (8/13)
1955 - High	3.63 (12/30)	3.26 (12/29)	2.99 (12/30)
Low	3.45 (1/14)	3.02 (1/6)	2.76 (1/7)
1956 - High	4.05 (9/14)	3.60 (9/13)	3.51 (9/7)
Low	3.58 (3/9)	3.20 (3/8)	2.89 (2/24)
August 10	3.90	3.46	3.22
August 17	3.94	3.54	3.31
August 24	3.95	3.57	3.39
August 31	3.97	3.60	3.51
September 7	4.01	3.60	3.51
September 14	4.05	3.60	3.50

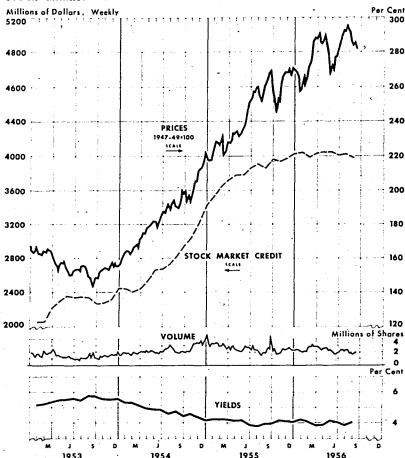
1/ Weekly average of daily figures. Average term of bonds included is 25-26 years.

2/ Thursday figures. Only general obligation bonds are included; average term is 20 years.

3/ Friday figures. Average rating of bonds included is between Baa and A; average term is 20 years.

Note.--Highs and lows are for individual series and may be on different dates for different series.

## STOCK MARKET



Date	Stock price index 1/	Trading volume 2/ (millions of shares)	Common stock yields 3/ (per cent)	Stock market customer credit		
				Total	Customers' debit bal- ances 4/	Bank loans to "others" 5/
(Millions of dollars)						
1953 - High	167.1 (1/2)	2.5	5.75	2,445	1,665	780
Low	144.0 (9/18)	0.9	5.15	2,055	1,314	664
1954 - High	221.4 (12/31)	3.7	5.33	3,436	2,388	1,048
Low	156.5 (1/6)	1.4	4.20	2,405	1,653	746
1955 - High	270.7 (12/30)	4.6	4.22	4,030	2,805	1,211
Low	217.4 (1/14)	1.5	3.78	3,537	2,517	1,018
1956 - High	295.5 (8/3)	3.1	4.21	4,047	2,810	1,267
Low	257.4 (1/20)	1.6	3.86	3,979	2,740	1,192
July	290.1	2.2	3.87	4,026	2,812	1,211
August	290.0	1.9	4.02	3,979	2,785	1,205
August 31	283.2	1.6	n.a.	n.a.	n.a.	1,194
September 7	285.1	1.8	n.a.	n.a.	n.a.	1,192
September 14	281.3	2.0	n.a.	n.a.	n.a.	n.a.

1/ Revised.

n.a.--Not available.

2/ SEC index of 265 common stocks, weekly closing prices, 1939=100; converted to 1947-49=100 by Federal Reserve. The conversion factor is 123.91.

3/ Averages of daily trading volume on the New York Stock Exchange.

4/ Moody's 200 common stocks; end of month figures.

5/ End of month figures for member firms of the New York Stock Exchange which carry margin accounts; excludes balances secured by U. S. Government obligations. Wednesday figures for weekly reporting member banks. Excludes loans for purchasing or carrying U. S. Government securities at banks in New York and Chicago. Weekly reporting banks account for about 72 per cent of loans to others.

Note.--Highs and lows are for individual series and may be on different dates for different series.

Corporate and State and Local Government  
Security Offerings and Placements

(In millions of dollars)

	New capital					
	Corporate			State and local		
	1956	1955	1954	1956	1955	1954
January	579	535	547	404	535	396
February	704	407	426	696	312	411
March	790	1,223	635	390	538	565
April	816	478	497	377	427	734
May	1,144	886	656	490	350	748
June	830	687	842	735	641	853
July	e/1,120	597	909	e/380	470	279
August	e/700	644	335	e/215	249	261
September	e/850	670	747	e/350	406	649
October		1,162 <sup>1/</sup>	1,003		919	594
November		632	290		658	423
December		900	604		408	877
1st quarter	2,073	2,165	1,608	1,490	1,385	1,372
2nd quarter	2,790	2,052	1,995	1,603	1,418	2,334
3rd quarter	e/2,670	1,911	1,991	945	1,124	1,188
4th quarter		2,695	1,896		1,984	1,894
Year		8,821	7,490		5,911	6,789
Excluding finance companies <sup>2/</sup>						
1st quarter	1,617	1,727	1,527			
2nd quarter	2,520	1,870	1,927			
3rd quarter	e/2,470	1,434	1,911			
4th quarter		2,554	1,792			
Year		7,569	7,158			

e/ Estimated.

<sup>1/</sup> Includes \$637.2 million AT&T convertible debenture issue.<sup>2/</sup> Total new capital issues excluding offerings of sales and personal finance companies.

note.--Details may not add to totals due to rounding.

Large Public Security Issues for New Capital  
(Other than U. S. Treasury) 1/

Proceeds of Large Issues Offered

(Millions of dollars)

Month	Corporate	State and local government	Other <u>2/</u>
1955 - August	405	65	--
September	328	234	--
October	805	716	--
November	221	401	25
December	263	227	50
1956 - January	95	192	--
February	212	444	--
March	278	163	--
April	395	157	50
May	623	233	--
June	185	463	20
July	592	164	--
August	217	35	37

Large Individual Issues Offered Sept. 1 through 14

Issuer	Type <u>3/</u>	Amount (millions of dollars)	Maturity	Coupon rate or net inter- est cost	Offering yield	Rating
<u>CORPORATE</u>						
Gulf States Utilities Co.	1st mtg.bds.	15.0	1986	4 1/4	4.20	Aa
General Telephone of Cal.	1st mtg.bds.	20.0	1986	4 1/2	4.41	A
Southern Cal. Edison	Common stk.	24.3				
Northern States Power Co.	1st mtg.bds.	15.0	1986	4 1/4	4.17	Aa
Procter & Gamble Co.	Deb.	70.0	1981	3 7/8	3.88	Aa
Detroit Edison Co.	Conv. deb.	59.8	1971	3 3/4	3.75	A
<u>STATE &amp; LOCAL GOVERNMENT</u>						
Port of New York Authority, N. Y.	Rev.	25.0	1986	3.52	3.45	A
Allegheny Co. Inst. Dist., Pa.	G.O.	6.3	1957-86	3.17	2.20-3.20	A
Oakland Unified School Dist., Cal.	G.O.	10.0	1957-81	2.85	2.10-2.90	Aa

## Large Individual Issues Offered Sept. 1 through 14 (Cont'd)

Issuer	Type 3/	Amount (millions of dollars)	Maturity	Coupon rate or net inter- est cost	Offering yield	Rating
<u>STATE &amp; LOCAL GOVERNMENT</u> (Cont'd)						
New York, New York	G.O.	30.0	1957-71	3.28	2.25-3.30	A
State of Michigan	L.L.	25.0	1957-79	3.04	2.15-3.00	Aa
<u>OTHER</u>						
None						

1/ Includes corporate and other security offerings of \$15 million and over; State and local government security offerings of \$5 million and over.

2/ Includes foreign government and International Bank for Reconstruction and Development issues.

3/ In the case of State and local government securities, G.O. denotes general obligation; Rev., revenue bonds; G.R., general obligations additionally secured by facilities revenues; L.L., limited liability obligations secured by pledge of designated revenues.

Forthcoming Large Public Security Offerings for New Capital  
(Other than U. S. Treasury) 1/

Expected Proceeds from Forthcoming Large Issues

Date of computation	During month following date shown			Subsequent to date shown		
	Corporate	State and local govt.	Other 2/	Corporate	State and local govt.	Other 2/
1955 - Aug. 31	222	184	---	920	1,971	---
Sept. 30	805	843	---	909	2,205	---
Oct. 31	202	330	---	412	1,650	---
Nov. 30	215	205	50	230	756	50
Dec. 30	70	121	---	85	618	---
1956 - Jan. 31	176	327	---	376	917	---
Feb. 29	123	220	---	233	785	---
Mar. 30	380	132	---	1,013	811	---
Apr. 30	568	173	---	818	832	---
May 31	198	332	---	448	941	---
June 30	437	81	---	567	690	---
July 31	247	--	37	1,096	726	37
Aug. 31	369	131	---	1,202	958	---

Forthcoming Large Offerings, as of September 14

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>CORPORATE</u>			
Tennessee Gas Transmission Co.	1st mtg. bds.	50.0	September 19
*Tennessee Gas Transmission Co.	Pfd. stk.	20.0	September 19
CIT Financial Corp.	Deb.	75.0	September 19
Southern Pacific R.R. Co.	1st mtg. bds.	35.0	September 20
North American Aviation, Inc.	Cap. stk.	43.5	September 24 (rights expire)
Virginia Electric & Power Co.	1st mtg. bds.	20.0	September 25
New England Tel. & Tel. Co.	Cap. stk.	18.9	September 28 (rights expire)
*Pacific Tel. & Tel. Co.	Common stk.	16.2	September 28 (rights expire)
United Aircraft Corp.	Conv. pfd. stk.	38.8	October 2 (rights expire)
Columbia Gas System, Inc.	Deb.	25.0	October
*Southern Bell Tel. & Tel. Co.	Deb.	60.0	October
American Tel. & Tel. Co.	Common stk.	580.0	November 5 (rights expire)
J. P. Stevens & Co.	S.F. deb.	28.7	1956
Pacific Finance Corp.	Deb.	25.0	1956
Michigan Wisconsin Pipe Line Co.	1st mtg. bds.	25.0	1956
Commercial Credit Co.	Notes	50.0	1956

## Forthcoming Large Offerings, as of September 14 (Cont'd)

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>STATE AND LOCAL GOVERNMENT</u>			
Los Angeles School Dists., Cal.	G.O.	29.0	September 18
Nassau Co., New York	G.O.	19.6	September 18
Kansas City, Missouri	Water rev.	9.5	September 19
Florida Development Commission	Bridge rev.	5.5	September 20
*Kalamazoo School Dist., Mich.	G.O.	10.0	September 25
*Westchester Co., N. Y.	G.O.	7.3	September 26
*Chicago Bd. of Education, Ill.	G.O.	10.0	November 14
Jacksonville Expressway Authority	Rev.	42.0	Fall
Memphis, Tennessee	Elec. rev.	135.0	Fall
Washington State Toll Bridge Auth.	Rev.	5.4	Fall
Florida State Turnpike Authority	Rev.	185.0	Fall
Oklahoma Turnpike Authority	Rev.	65.0	1956
Pennsylvania Turnpike Commission	Rev.	62.0	1956
Washington State Toll Bridge Auth.	Rev.	227.0	1956
Inter-American Center Auth., Fla.	Rev.	31.0	1956
New Jersey Highway Authority	Rev.	25.0	1956
New York State Thruway Authority	G.O.	50.0	1956
<u>OTHER</u>			
None			

\*---Included in table for first time.

1/ Includes corporate and other issues of \$15 million and over; State and local government issues of \$5 million and over.

2/ Includes foreign government and International Bank for Reconstruction and Development issues.



Yields on New and Outstanding  
Electric Power Bonds, Rated Aa and A <sup>1/</sup>

Date	Aa-rated offering yields		A-rated offering yields	
	Actual (per cent)	Amount above seasoned yields (basis points)	Actual (per cent)	Amount above seasoned yields (basis points)
1952 average	3.16	13	3.35	12
1953 average	3.46	16	3.78	26
1954 average	3.03	3	3.12	-3
1955 average	3.23	9	3.33	12
1956 - January	None	--	None	--
February	*3.15	3	3.23	-5
March 8	3.19	5		
16			3.35	7
23	3.37	18		
30			3.55	25
April 4			3.57	23
4			3.60	26
11			3.67	29
25	3.77	40		
May 9			3.80	32
16			3.73	24
24	3.53	19		
June 8	3.52	18		
20			3.75	27
July 3			3.82	28
18	3.62	26		
25	3.70	33		
August 1			4.00	43
30	4.07	52		
September 11	4.20	62		
13	4.17	58		

\*--Single observation, not an average.

<sup>1/</sup> Covers only 30-year first mortgage bonds, as reported in Moody's Bond Survey. Except where indicated, the actual yield figure and the amount above seasoned yields are averages of offerings during the indicated period and of the differences between these new offering yields and yields on seasoned issues of similar quality for the same day. The number of new issues included in the monthly averages varies from 2 to 4 except for October 1954 when 6 A-rated issues were included. Average maturity for the seasoned issues varies from 26 to 28 years.